ARTICLE APPEARED ON PAGE A1

Mengele Link to Drug Traffickii Is Reported in C.I.A. Documen

By RALPH BLUMENTHAL

The Central Intelligence Agency began receiving reports in 1971 that Dr. Josef Mengele, the Nazi war criminal, was heavily involved with partners in illegal narcotics trafficking in Paraguay, according to declassified Government documents.

The documents, provided in censored form by the C.I.A. for a Senate inquiry,

indicate that agency officials in Paraguay gave credence to the reports and forwarded them to headquarters in Washington, which, in turn, queried other Federal investigative agencies on the matter as recently as 1979.

The partially blacked-out documents do not establish the truth of the reports, and leave many questions unanswered about Dr. Mengele, who was chief doctor at the Auschwitz death camp, where millions perished. Among these questions are to what extent the information was pursued in the search for one of Nazi Germany's most notorious fugitives.

'No One Pursued This'

"They just let the information hang there." said Senator Alfonse." M. D'Amato, Republican of the New York. "No one pursued this." Senator D'Amato obtained the documents in conjunction with Senator Arlen Specter, Republican of Pennsylvania. The two Senators said they would discuss the documents at a news conference set for today in Washington.

A spokesman for the C.I.A. in Washington said late yesterday that the information about Dr. Mengele was disseminated "as appropriate" to other Government agencies, including the State and Defense Departments, the

Customs Service and the Treasury.

The spokesman, Kathy Pherson, said she could not discuss whether or not the information was forwarded to other governments, such as West Germany, which has an outstanding warrant for Dr. Mengele's arrest.

Further Information Sought

The documents, which were obtained by The New York Times, offer these new accounts, among others:

The C.I.A.'s Strategic Narcotics Team approached other Federal agencies in 1979 for further information on reports of drug trafficking by Dr. Mengele, seeking to back up an article that the team had submitted for publication in the International Narcotics Review. The article was later withdrawn and could not be immediately located by the agency, according to Senators D'Amato and Specter.

9A 1974 C.I.A. debriefing of a source who interviewed Nazis in Paraguay produced information that Dr. Mengele had undergone plastic surgery and appeared to be much younger than his age, which would now be 73. The source also reported that a photograph in Paraguayan passport files showed Dr. Mengele after the plastic surgery.

The same source, possibly a writer from the context of the document, also reported an account that around 1968 Dr. Mengele was living in Paraguay with Martin Bormann, Hitler's designated successor, who is believed by most authorities to have died in Berlin in 1945.

\$1 Million Award

In a separate development, the Simon Wiesenthal Center announced yesterday that a \$1 million reward was being offered for information leading to the capture and extradition of Dr. Mengele.

Martin Mendelsohn, a lawyer for the the center, an institute for the study of German war crimes that is based in Los Angeles, said the money had been put up by donors who wished to remain anonymous, but who would be identified if Dr. Mengele was apprehended alive. He said the center did not want Dr. Mengele dead and was not seeking vigilante action. The \$1 million comes in addition to rewards pledged earlier that total \$375,000.

According to one C.I.A. document, Dr. Mengele arrived in Paraguay for the first time around 1951 and lived there and in Brazil, Argentina and Uruguay. He has been sought for extradition by West Germany since 1962, according to one of the C.I.A. documents. The West Germans also have a warrant for his arrest to stand trial on war crimes charges.

Israeli intelligence teams also reportedly were seeking Dr. Mengele in the 1960's. The United States, which has no jurisdiction to try war criminals, recently announced a Justice Department investigation into reports that Dr. Mengele may have been in Army custody in 1947.

Reportedly Protected

The first of the newly released C.I.A. documents is a cable dated July 12. 1972, from the Asunción station to headquarters. The cable reports that a "petty criminal" hid out at a farm near the town of Encarnación, which is 185 miles southeast of Asunción. The farm, the document said, was owned by a man named Mengele who was using the name Dr. Henrique Wollman. It added, "Report suggests he and others heavily involved in narcotics traffic."

The cable said the office was seeking to determine whether this was the Mengele who was the former Auschwitz doctor. It quoted a report that Dr. Mengele "enjoys the protection" of Presi-

dent Alfredo Stroessner.

A second cable to headquarters a few weeks later confirmed that this was indeed the Nazi fugitive and said he lived in a villa northeast of Asunción, about 30 miles from the Brazilian border and worked as an auto mechanic.

Request for Information

In 1979, the documents show, the C.I.A.'s special assistant for coordination of foreign narcotics information asked officials of the Drug Enforcement Administration and the Customs Service for any information they might have on drug trafficking by Dr. Mengele. The C.I.A. also suggested that the business owned by Dr. Mengele's family, a German farm machinery manufacturing company with offices in South America, "could serve as a mechanism to move or launder large sums of money, as well as to cover the movement of illicit narcotics.

The documents show that the Drug Enforcement Administration and the Treasury Department replied that their records showed no information

about Dr. Mengele.

Senators Specter and D'Amato said that they were not satisfied about the thoroughness of that search and that they would press the Drug Enforcement Administration in particular for more information.

Senator Specter said he was also especially eager to get the C.I.A. article on drug trafficking that was cited in the documents.

"I think they'll find it," he said of the

C.I.A. "We'll get it."